

## Message Text

CONFIDENTIAL

PAGE 01 STATE 090074

61

ORIGIN COA-02

INFO OCT-01 ISO-00 /003 R

DRAFTED BY: COA:WLSULLIVAN

APPROVED BY: COA:WLSULLIVAN

----- 010776

R 021345Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY LIMA

C O N F I D E N T I A L STATE 090074

FOR LOS TEAM

FOLLOWING IS REPEAT QUITO 2649 SENT ACTION SECSTATE INFO  
GUAYAQUIL APR 19:

QTE C O N F I D E N T I A L QUITO 2649

E.O. 11652: GDS

TAGS: PFOR EC US

SUBJECT: PRESIDENT RODRIGUEZ LARA GIVES HIS VIEWS ON CURRENT US/  
ECUADOREAN RELATIONS

1. HAROLD T. SMITH CAME TO SEE ME AT HIS REQUEST ON APRIL 18. SMITH IS A SEMI-RETIRED AMERICAN BUSINESSMAN WHO SPENT MOST OF HIS WORKING YEARS AS A RESIDENT CONTRACTOR IN ECUADOR. IN RECENT YEARS HE HAS MADE PROLONGED VISITS TO ECUADOR TO TRY TO SETTLE TWO DISPUTES OVER LAND THAT THE GOVERNMENT HAD TAKEN OR WANTED TO TAKE FROM HIM. IN 1973 HE AND THE GOE SETTLED AN EXPROPRIATION CLAIM DATING FROM 1965. ON HIS CURRENT VISIT THEY CAME TO TERMS ON PURCHASE OF SMITH'S FARMS OUTSIDE QUITO. SMITH KNOWS ECUADOR WELL AND HAS A LONGSTANDING PERSONAL FRIENDSHIP WITH PRESIDENT RODRIGUEZ LARA.

2. SMITH'S PURPOSE IN COMING TO SEE ME WAS FIRST OF ALL TO THANK THE DEPARTMENT FOR ITS ASSISTANCE OVER THE YEARS IN HELPING HIM TO SETTLE HIS PROPERTY CLAIMS IN ECUADOR AND TO  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 090074

REPORT ON A CONVERSATION HE HAD WITH PRESIDENT RODRIGUEZ

LARA ON APRIL 12, WHEN THE PRESIDENT, TOGETHER WITH SOME 200 OFFICIALS, CAME TO SMITH'S FARM TO SIGN THE DEED OF PURCHASE OF THE FARM TO PROVIDE THE NEW SITE FOR THE ARMY ACADEMY. SMITH'S CONVERSATION WITH THE PRESIDENT COVERED A NUMBER OF SUBJECTS, THE MOST IMPORTANT BEING THE STATE OF US/ECUADOREAN RELATIONS. WHAT FOLLOWS IS A VERBATIM ACCOUNT OF SMITH'S NOTES MADE IMMEDIATELY AFTER HIS CONVERSATION WITH THE PRESIDENT.

3. "TO START, I SUGGESTED THAT THE US NEEDS ALL THE FRIENDS WE CAN GET AT THE MOMENT AND I THOUGHT HE COULD COLLECT SOME GOOD DIVIDENDS IF IN HIS SPEECHES HE COULD SAY A GOOD WORD FOR THE US AND COULD VOTE THE WAY THE US VOTES IN THE UN AND OAS.

4. "HE BECAME ENTHUSIASTIC IN REPLYING THAT RELATIONS WITH THE US HAVE TAKEN A TURN FOR THE BETTER--THAT HE WAS PLEASED THAT EACH CONTACT SEEMS TO IMPROVE RELATIONS--THAT THE US IS HELPING GREATLY ON HIS PLAN TO IRRIGATE THE PENINSULA OF ST. HELENA--AND ALSO WITH HIS PLAN FOR THE DEVELOPMENT OF ESMERALDAS.

5. "I THEN SAID THAT I UNDERSTAND FROM (ARMY COMMANDER) GEN. LOPEZ THAT THE ARMED FORCES ARE NOT HAPPY BECAUSE OF THE LACK OF MILITARY ASSISTANCE. HE SAID WE STILL HAVE A PROBLEM WITH THE TUNA FISHING THAT RELATES TO THE MILITARY AID BUT EVEN THAT IS WORKING OUT. I HAVE A FORMULA THAT THE AMERICANS ARE VIEWING FAVORABLY AND I BELIEVE A MILITARY SALES ARRANGEMENT WILL RESULT. I ASKED IF IT WAS A SECRET FORMULA. HE REPLIED, NO, THERE IS NO SECRET. IT IS SOMETHING THAT SHOULD HAVE BEEN WORKED OUT LONG AGO--JOINT-VENTURE FISHING COMPANIES, 50 PERCENT AMERICAN AND 50 PERCENT ECUADOREAN CAPITAL--WITH MUTUAL INTERESTS WHERE ECUADOR CAN BENEFIT FROM THE ORGANIZATION AND EXPERIENCE OF THE AMERICANS AND FINANCIALLY FROM THE FISH IN ECUADOREAN WATERS. THIS WILL SMOOTH THE WAY TO EVEN GREATER RELATIONS WITH THE US."

6. COMMENT: I HAD NOT MET SMITH PREVIOUSLY AND HE HAD NO KNOWLEDGE OF WHAT WE HAVE BEEN DISCUSSING WITH GOE IN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 090074

EITHER FISHING OR MILITARY ASSISTANCE FIELDS. PRESIDENT RODRIGUEZ HAD NO REASON TO THINK HIS CONVERSATION WITH SMITH WOULD BE REPORTED TO ME.

7. PRESIDENT RODRIGUEZ' COMMENTS ON THE FISHING PROBLEM TRACK WITH WHAT HE HAS TOLD ME. IT CONTINUES TO BE MY EVALUATION THAT THIS ASSOCIATION APPROACH IS THE PRESIDENT'S AND HENCE THE GOE POLICY ON DEALING WITH THE FISHING

PROBLEM.  
BREWSTER  
UNQUOTE RUSH

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESIDENT, DISPUTES, BUSINESSMEN, AMITY, LAND SETTLEMENT, FOREIGN POLICY POSITION, LAND NATIONALIZATION, PROPERTY TITLES, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE090074  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** COA:WLSULLIVAN  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740106-0190  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740579/aaaactan.tel  
**Line Count:** 118  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN COA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 SEP 2002 by WorrelSW>; APPROVED <13 JAN 2003 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESIDENT RODRIGUEZ LARA GIVES HIS VIEWS ON CURRENT US/ ECUADOREAN RELATIONS  
**TAGS:** PFOR, EC, US, (RODRIGUEZ LARA, GUILLERMO A), (SMITH, HAROLD T)  
**To:** LIMA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005